

AGENDA ITEM SUMMARY

AGENDA ITEM

Update on Recent Audits
Coordinating Board for Higher Education
June 10, 2004

DESCRIPTION

Departmental Audits

- In May 2003, the Missouri State Auditor's Office (SAO) issued their State of Missouri Single Audit report of federal funds for the year ending June 30, 2002. In this report the SAO questioned costs of \$183,084 related to DHE's administration of the Federal Family Education Loan (FFEL) program and notified the United States Department of Education (USDE) of the questioned costs.

In January 2004, USDE notified DHE of the questioned costs and asked DHE to either appeal the determination or return \$183,084 to the federal fund. DHE appealed the determination and was notified on April 30, 2004, that the appeal was granted. In their letter of notification, USDE stated the \$183,084 in questioned costs were allowable expenditures and the audit is considered closed.

- The SAO will soon issue the next State of Missouri Single Audit report of federal funds for the year ending June 30, 2003. The SAO completed DHE's portion of the audit in December 2003, and during our exit interview with the SAO, DHE staff were notified there would be no audit findings related to DHE in this audit report.
- In September 2002, the SAO issued an audit report that recommended DHE implement procedures to test student eligibility determinations made by colleges and universities for state financial assistance programs administered by DHE. Despite staff and funding reductions, DHE continues to perform limited program reviews when possible. One such review was conducted in March 2004, and resulted in identification of an ineligible "Bright Flight" disbursement that was not returned by the institution to DHE.

Institutional Audits

The SAO has recently begun an audit of State Fair Community College, as well as an audit of the University of Missouri System and other selected institutions related to their use of procurement cards for official purchases.

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RECOMMENDED ACTION

This is an information item only.

ATTACHMENT(S)

None